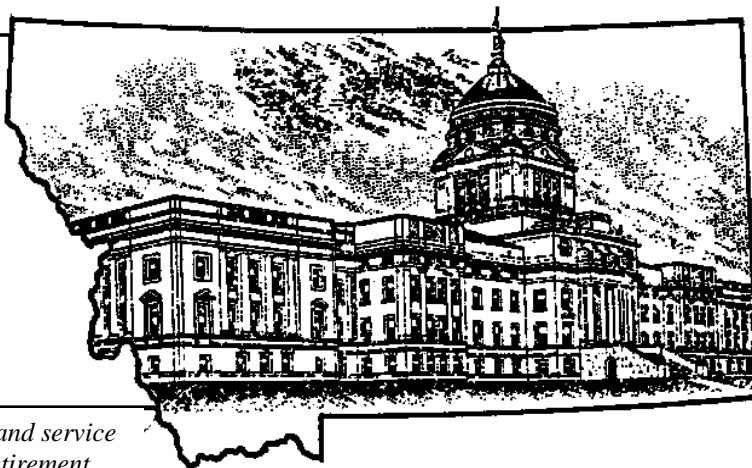


Montana Public Employee Retirement Administration

MPERA

RETIREE NEWS

AUGUST 2000



The MPERA will efficiently provide quality benefits, education and service to help our plan members and beneficiaries achieve a quality retirement.

Public Employees' Retirement Board

The seven-member Public Employees' Retirement Board (PERB) is appointed by the Governor. It is an independent Board responsible for the administration of eight separate and distinct retirement systems:

- *Public Employees' (PERS);*
- *Municipal Police Officers' (MPORS);*
- *Game Wardens' and Peace Officers' (GWPORS);*
- *Sheriffs' (SRS);*
- *Judges' (JRS);*
- *Highway Patrol Officers' (HPORS);*
- *Firefighters' Unified (FURS);* and
- *Volunteer Firefighters' Compensation Act (VFCA)*

Announcing our name change . . .

The **Montana Public Employee Retirement Administration (MPERA)** is the name selected to identify the Public Employees' Retirement Board (PERB) staff.

The MPERA welcomes the opportunity to serve our members.

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The GABA

The Guaranteed Annual Benefit Adjustment will increase your retirement benefit by a minimum of 1.5 % over the previous year. You will be eligible for the GABA **after** you have been retired for three years. Other increases to your benefit will reduce the amount you get from the GABA.

Three years after your retirement the benefit adjustment will be included in your **January** benefit. For example, if you retired on July 1, 1997, you will meet the 36-month requirement on July 1, 2000. You won't receive your first GABA raise until January 1, 2001. The GABA increase will be applied to your benefit on January first of each year. The monthly increase will initially appear in your January benefit payment which is received at the end of the month.

The GABA is available to all PERS, GWPORS, and SRS retirees. It is also available to retirees of the JRS, HPORS, MPORS, and FURS, who either were hired after July 1, 1997, or elected the GABA on or before January 1, 1998.

Marc Racicot, Governor

Public Employees' Retirement Board

Terry Teichrow
President

Carole Carey
Vice-President

Robert Griffith
Jay Klawon
Carol Lambert
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Jean Thompson



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This is an official publication of the Montana Public Employee Retirement Administration (MPERA).

Should any information in this newsletter conflict with statutes or rules, the statutes or rules will apply.

Inside this issue . . .

<i>Returning to Work?</i>	2
<i>Direct Deposit</i>	2
<i>SS Earnings Limits</i>	3
<i>Retirement Plan Option</i>	3
<i>Beneficiaries</i>	4
<i>Changes to Benefit Options</i>	4
<i>Changing Withholding</i>	4

Returning to Work?

Limits for PERS, SRS, and JRS

Many retirees are returning to work, whether filling in for a few days/weeks, or returning to work on a special project. There are limitations on when you can return to work and the number of hours you can work depending on your retirement system. Following is a summary of the limits for PERS, JRS, and SRS.

PERS - A PERS retiree may work any number of hours in a PERS-covered position during any calendar year. However, the retirement benefit will be reduced \$1 for each \$1 earned from employment when the following limits are exceeded:

Under age 65 - up to 640 hours PERS-employment without a reduction in retirement benefit.

Age 65 to 70 1/2 - **either** the 640-hour limit **or** an earning limit, whichever is higher. The earning limit is equal to the member's final average salary adjusted for inflation.

Over age 70 1/2 - no limit.

A PERS retiree who retired under the incentives provided in the Employee Protection Act or the Retirement Incentive Program is limited to 599 hours, regardless of age, if they return to work for the same jurisdiction.

SRS - A sheriff re-employed in an SRS-covered position for less than 480 hours during a calendar year is not required to become an active member. However, the retirement benefit will be reduced \$1 for each \$3 earned in excess of \$5,000 in a calendar year.

Note: Employers must report all working PERS and SRS retirees to the MPERA. The report will account for total paid hours and total wages each month. Retirees must report this same information; the retiree's signature on the employer's report will serve as the retiree's report.

JRS - Retired judges who have 8 years of service and who voluntarily retired, may be called to duty. They will receive the daily salary of the position being filled for a total of 180 days in a calendar year with no impact on retirement benefits. After 180 days in a calendar year, retired judges will be paid one-twentieth of the monthly salary of the position being filled, minus one-twentieth of their monthly retirement benefit.

Note:

1. If you are receiving a disability retirement benefit and considering returning to work, please contact the MPERA for information.
2. You become a retired member when you have been retired for at least 30 days and have received one monthly benefit payment.

Direct Deposit

The way to go!

Your retirement benefit payment is in your designated bank account on the last working day of the month when it is direct deposited. If you receive your benefit check by mail, we mail it on the last working day of the month, but MPERA cannot guarantee when it will reach you. Direct deposit is especially convenient if you travel frequently or have a temporary change of address.



Want to change to direct deposit?

If you currently receive your benefit by mail, but would like the convenience and safety of direct deposit, contact MPERA to obtain a *Direct Deposit*

Agreement form. You and your bank must complete the form. This form must be notarized. The MPERA must receive it prior to the 15th of the month to ensure your benefit is direct deposited at the end of that month.

Changing banks?

If you wish to change your direct deposit to a new bank, you will need to complete a new *Direct Deposit Agreement* form. The MPERA must receive direct deposit changes by the 15th of the month. A suggestion: Do not close your old account until you are sure your direct deposit has been changed. If you close your old account and we don't receive notification in time, deposit of your benefit will be delayed.

Social Security Earnings Limit Changes for Retirees Over Age 65

In April 2000, the law that determines what happens when you work and get social security benefits at the same time was changed. While you are working, your benefit amount will now be reduced only until you reach your full retirement age, not up to age 70. The formula below will be used to determine how much your benefit must be reduced:

(This information is from the Social Security Web site at www.ssa.gov. For information on Social Security benefits or the earnings limit call toll-free 1-800-772-1213.)

1. If you are under full retirement age (currently age 65) when you start getting your Social Security payments, \$1 in benefits will be deducted for each \$2 you earn above the annual limit. For the year 2000, that limit is \$10,080.
2. In the year you turn full retirement age, \$1 in benefits will be deducted for each \$3 you earn above a different limit, but only counting earnings before the month you reach the full benefit retirement age. For 2000, this other limit

is \$17,000.

3. Starting with the month you reach full retirement age, you will get your benefits with no limit on your earnings. These new rules apply for the entire year of 2000, starting back in January.

Retirement Plan Option For Active PERS Members

The 1999 Legislature passed laws establishing a new retirement plan option for the PERS with a start date no later than July 1, 2002. This new retirement plan will be a Defined Contribution (DC) plan. A DC plan guarantees a specific contribution rather than a specific benefit. The current retirement plan is a Defined Benefit (DB) plan. A DB plan guarantees a specific benefit for life.

This new optional PERS retirement plan will not change benefits for current PERS retirees. You will continue to receive your benefit for life according to the option selected upon retirement under the DB plan.

MOVING or TRAVELING?

Be sure to notify the MPERA **in writing** of any address change (either permanent or temporary) to ensure delivery of your monthly benefit, annual tax forms, and information mailings. Fill out this form (print or type), clip it from the newsletter, and mail it in an envelope to: MPERA, PO Box 200131, Helena MT 59620-0131.

NAME _____
First Middle or Maiden Last

OLD ADDRESS _____
Street Apartment Number

City State Zip Code

NEW ADDRESS _____
Street Apartment Number

City State Zip Code

EFFECTIVE DATE OF NEW ADDRESS: _____
Month/Day/Year

RETIREMENT NUMBER: _____
SOCIAL SECURITY NO. _____

SIGNATURE (required) _____ DATE _____

Beneficiaries

Designation of your beneficiary is extremely important. File a written designation of any beneficiary changes directly with the MPERA.

Do you need to make a change?



Survivor benefits for retired members are different in the various systems and are determined by the retirement option selected by the member at retirement. Retirement option and death benefit information is important for your beneficiaries to know.

It is also important that the MPERA be notified immediately of the death of any retired member. We will work closely with survivors and beneficiaries to ensure proper benefit payments are made in a timely manner.

Want to Change your Withholding?

Federal and Montana state taxes can be withheld from your monthly retirement benefit. If you wish to change the amount withheld, you will need to obtain a withholding form from the MPERA. Complete and sign the form and return it to our office. If we receive the notification prior to the 15th of the month, it will be effective on your next benefit. After the change has been made, you will receive a benefit information statement detailing your benefit deductions.

Changes to Benefit Options For PERS, SRS, GWPORS, and JRS

You may change your contingent annuitant or choose a new option if you selected Options 2 or 3 **and** one of the following applies:

1. The contingent annuitant dies; or
2. You are divorced from the contingent annuitant and the court did not grant the contingent annuitant the right to receive part of the benefit.

The change must be made within 18 months of the death of or divorce from the contingent annuitant. Contact MPERA to receive an estimate of the new benefit and an application form to select the new option.

Note: Members who retired **after October 1, 1999**, selected Option 2 or 3, and meet one of the above conditions, may file a written application to have the Option 2 or 3 retirement benefit revert to Option 1, as was available at the time of their retirement.

When writing to the MPERA, don't forget to . . .

1. print your full name and address on your letter;
2. include your retirement number, social security number and your daytime telephone number; and
3. sign any request for information on and changes to your retirement account.